

SIEMENS

January 8, 1999

NRC:99:003

Document Control Desk

ATTN: Chief, Planning, Program and Management Support Branch

U.S. Nuclear Regulatory Commission

Washington, D.C. 20555

Closure of Potential Defect Pursuant to 10 CFR 21.21

Ref.: 1. Telecon, L. E. Hansen (SPC) et al. to L. E. Phillips (NRC) et al., August 5, 1997.

Ref.: 2. Letter, H. D. Curet (SPC) to Document Control Desk, "Notification of Potential Existence of a Defect Pursuant to 10 CFR 21.21," HDC:97:084, August 11, 1997.

Ref.: 3. Letter, H. D. Curet (SPC) to Document Control Desk - Attn: T. E. Collins, "NRC Request for Safety Assessment Related to Failed Seal Springs," HDC:97:108, October 3, 1997.

Ref.: 4. Telecon, L. E. Hansen (SPC) et al. to L. E. Phillips (NRC) et al., November 24, 1997.

Ref.: 5. Telecon, L. E. Hansen (SPC) et al. to J. E. Lyons (NRC) et al., August 31, 1998.

Ref.: 6. EMF-2154(P), "Incident Review Board: Broken BWR Lower Tie Plate Seal Springs," December 1998.

SPC has completed its evaluation of a potential Part 21 concern and has concluded that it has no adverse impact on plant operations or plant safety. This potential defect had been originally identified in a telephone call (Reference 1), was documented in two letters to the NRC (References 2 and 3), and was further discussed in two subsequent telephone calls (References 4 and 5). The justification for closure of the concern is provided in Reference 6, three copies of which are being provided to the NRC. These three copies are being provided directly to Messrs. J. E. Lyons, S-L. Wu and E. Y. Wang.

The information contained in the Reference 6 report is considered to be proprietary to Siemens Power Corporation. As required by 10 CFR 2.790(b), an affidavit is attached to support the withholding of this information from public disclosure.

9901210286 990108
PDR TOPRP EMVEXXN
C PDR

Siemens Power Corporation

2101 Horn Rapids Road
Richland, WA 99352

Tel: (509) 375-8100
Fax: (509) 375-8402

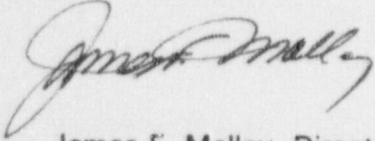
706 PR. 05.

PROJ. 702

5056

If you have any questions or if I can be of further assistance, please call me at (509) 375-8757.

Very truly yours,

A handwritten signature in dark ink, appearing to read "James F. Mallay", with a stylized flourish at the end.

James F. Mallay, Director
Regulatory Affairs

/arn

cc: Mr. J. E. Lyons (USNRC)
Mr. S-L. Wu (USNRC)
Mr. E. Y. Wang (USNRC)
Project No. 702

AFFIDAVIT

STATE OF WASHINGTON)
) ss.
COUNTY OF BENTON)

I, James F. Mallay, being duly sworn, hereby say and depose:

1. I am Director, Regulatory Affairs, for Siemens Power Corporation ("SPC"), and as such I am authorized to execute this Affidavit.

2. I am familiar with SPC's detailed document control system and policies which govern the protection and control of information.

3. I am familiar with the SPC information included in report EMF-2154(P) Revision 0, "Incident Review Board: Broken BWR Lower Tie Plate Seal Springs," December 1998 referred to as "Document" transmitted by letter NRC:99:003. Information contained in this Document has been classified by SPC as proprietary in accordance with the control system and policies established by SPC for the control and protection of proprietary and confidential information.

4. This Document contains information of a proprietary and confidential nature and is of the type customarily held in confidence by SPC and not made available to the public. Based on my experience, I am aware that other companies regard information of the kind contained in this Document as proprietary and confidential.

5. This Document has been made available to the U.S. Nuclear Regulatory Commission in confidence, with the request that the information contained in the Document will not be disclosed or divulged.

6. This Document contains information which is vital to a competitive advantage of SPC and would be helpful to competitors of SPC when competing with SPC.

7. The information contained in this Document is considered to be proprietary by SPC because it reveals certain distinguishing aspects of SPC licensing methodology which secure competitive advantage to SPC for fuel design optimization and marketability, and includes information utilized by SPC in its business which affords SPC an opportunity to obtain a competitive advantage over its competitors who do not or may not know or use the information contained in this Document.

8. The disclosure of the proprietary information contained in this Document to a competitor would permit the competitor to reduce its expenditure of money and manpower and to improve its competitive position by giving it valuable insights into SPC licensing methodology and would result in substantial harm to the competitive position of SPC.

9. This Document contains proprietary information which is held in confidence by SPC and is not available in public sources.

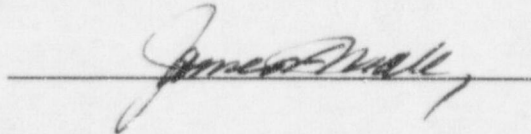
10. In accordance with SPC's policies governing the protection and control of information, proprietary information contained in this Document has been made available, on a limited basis, to others outside SPC only as required and under suitable agreement providing for nondisclosure and limited use of the information.

11. SPC policy requires that proprietary information be kept in a secured file or area and distributed on a need-to-know basis.

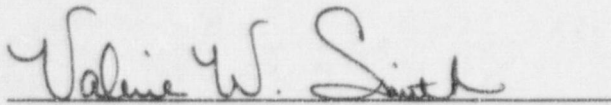
12. Information in this Document provides insight into SPC licensing methodology developed by SPC. SPC has invested significant resources in developing the methodology as well as the strategy for this application.

Assuming a competitor had available the same background data and incentives as SPC, the competitor might, at a minimum, develop the information for the same expenditure of manpower and money as SPC.

13. The foregoing statements are true and correct to the best of my knowledge, information, and belief.

A handwritten signature in cursive script, appearing to read "James P. Wall", is written over a horizontal line.

SUBSCRIBED before me this 8th
day of January, 199~~8~~⁹.

A handwritten signature in cursive script, appearing to read "Valerie W. Smith", is written over a horizontal line.

Valerie W. Smith
NOTARY PUBLIC, STATE OF WASHINGTON
MY COMMISSION EXPIRES: 03/11/00